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IMPLEMENTATION OF THE TRADE POINT PROGRAMME STRATEGY

Progress report by the UNCTAD secretariat

Executive summary

The present document reports on the progress achieved during the second year of implementation of the three-year Trade Point Programme Strategy approved by the Working Party on the Medium-term Plan and the Programme Budget in September-October 1999. In accordance with the Strategy and more particularly following the decisions of the thirty-sixth session of the Working Party in September 2000, further progress was achieved in the gradual externalization of the Programme. In particular, this included: (a) building capacities and structures in the Trade Point community that would enable them to take over the Trade Point Programme; and (b) transferring the ETO system to a suitable non-profit entity. The World Trade Point Federation was formally created and is now in the process of defining its future directions. Extrabudgetary funding was made available for the preparation of a strategic business development plan aimed at facilitating this task. The ETO system was transferred to the World Trade Point Federation. Following an agreement with the Federation, the services of Trade Points Madrid and Castilla La Mancha in Spain are being used for this purpose free of charge. The focus of future work will be on assisting the Federation to become fully operational and self-sustainable and on consolidating the membership of the Trade Point Programme. However, capacity development activities to support the latter are suffering seriously from lack of extrabudgetary funding.

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Introduction

1. At its thirty-sixth session in September 2000, the Working Party on the Medium-term Plan and the Programme Budget discussed the progress achieved, as well as activities still to be undertaken in the framework of the three-year Trade Point Programme Strategy[1] approved at its thirty-fourth session in September-October 1999. In order to facilitate the deliberations of the Working Party, the UNCTAD secretariat had prepared a document entitled "Implementation of the Trade Point Programme Strategy: Progress report" (TD/B/WP/128) and a document entitled "Transfer of the ETO system to a non-profit entity" (TD/B/WP(XXXVI)/CRP.1).

2. Following discussions during the session, the Working Party:

- "Reaffirmed its decision that the secretariat should proceed with the implementation of the Trade Point Programme Strategy in the timeframe agreed"[2];

- "Requested the secretariat to report to the autumn session of the Working Party in the year 2001 on the progress made in the implementation of the Strategy, including on the work undertaken and to be undertaken, as well as on the Strategy's financial aspects"[3].

In addition, the Working Party adopted several decisions pertaining to specific components of the Trade Point Programme Strategy. These decisions will be quoted and progress in their implementation reported in the sections below.

3. The present report was prepared in response to the request by the Working Party to report to member States on the implementation of the Strategy, in particular with regard to issues on which the Working Party had adopted decisions. It therefore follows the structure proposed by the Working Party. The first chapter provides an overview of the work undertaken since October 2000 in accordance with the provisions of the Strategy and the decisions of the Working Party. The second chapter presents directions of activities to be undertaken by the Trade Point Programme during the third year of implementation of the Strategy, bearing in mind the ultimate objectives to be achieved at the end of this period. For ease of reference, a copy of the logical framework[4] accompanying the Trade Point Programme Strategy has been attached as an annex.

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[1] "Follow-up to the evaluation of the Trade Point Programme: Trade Point Programme Strategy", TD/B/WP/120, 9 August 1999.

[2] "Evaluation of technical cooperation programmes", TD/B/47/L.4, paragraph 14, 19 September 2000.

[3] Ibid, paragraph 16.

[4] "Modalities to implement the proposed strategy", TD/B/WP/120/Add.1, 16 August 1999.

I. ACTIVITIES CONDUCTED IN THE SECOND YEAR OF IMPLEMENTATION OF THE TRADE POINT PROGRAMME STRATEGY

4. The activities of the UNCTAD secretariat during the period under review were guided by the decision of the Working Party to continue implementing the Strategy. That decision related in particular to three areas, namely: (a) an international Trade Point federation (ITPF); (b) the transfer of the ETO system to a suitable non-profit entity; and (c) capacity building.

A. International Trade Point federation

5. The Working Party expressed its support for "the establishment of a fully representative international Trade Point federation (ITPF), in accordance with the Trade Point Programme Strategy approved at the thirty-fourth session of the Working Party"[5].

6. Consequently, the UNCTAD secretariat undertook preparatory work with a view to defining the scope of the future federation, its legal framework, and the challenges it will face. The creation of an international Trade Point federation was then scheduled as one of the two most crucial items for decision-making on the agenda of the Sixth World Trade Point Meeting, held on 6-10 November 2000 in Geneva.

7. Following extensive discussions, the representatives of the 58 Trade Points present at the Meeting decided to establish the World Trade Point Federation as a non-profit international non-governmental organization under Swiss law. In order to give all Trade Points, including those from countries that were not in a position to attend, the possibility to express their opinion, all Trade Points were invited to vote. By 1 December 2000, the majority of Trade Points had voted in favour of the creation of the Federation, and no objection had been received to its establishment. Consequently, according to Swiss law, the Federation was considered as legally set up on that date. It was also decided to register the federation with the Register of Commerce in Geneva. This process was fully completed in May 2001.

8. Since, according to the Trade Point Programme Strategy, the Federation should ultimately take over the management of the Programme from UNCTAD, special attention during the discussions and decisions was paid to ensuring the full representativity of the Federation and the maintenance of the basic Trade Point Programme's principles in the future. To this end, it was agreed (and reflected in the statutes of the Federation) that: (a) all Trade Points, irrespective of their stage of development, automatically become members of the Federation; (b) representatives of all Trade Points can also, at this stage, be elected to the Steering Committee of the Federation; and (c) UNCTAD will hold a seat on the Steering Committee of the Federation with a right of veto if the basic principles of the Programme come under threat. The Meeting elected the 14-member Steering Committee of the Federation, including its five-member bureau.

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[5] "Evaluation of technical cooperation programmes", TD/B/47/L.4, paragraph 10.

9. All Trade Points, irrespective of their stage of development, automatically become members of the Federation. With regard to the decision-making process, each region has a minimum number of seats on the Steering Committee of the Federation, independently of the number of Trade Points established or being established in the region. Each region also has one representative on the bureau of the Steering Committee so that all of them are equally represented.

10. It was recognized at the Meeting that the formal establishment of the Federation was an important step forward in the implementation of the Trade Point Programme Strategy. However, it was also felt that in order to attain "one of the key longer-term objectives of the TPP", which is to "ensure the self-sustainability of the Programme and reduce dependence on UNCTAD resources"[6], it was crucial to make the Federation fully operational and ready for self-management. The challenge that the Federation will face is twofold: (a) to develop services for the Trade Point community that will be competitive in relation to the private sector; and (b) to generate sufficient financial resources to maintain the operation of the Programme at the central level once UNCTAD ceases to be involved. In order to be able to meet this challenge, the Federation will have to look for strategic partners[7] in the private sector.

11. To facilitate this task and to help the Federation build its negotiation and management capabilities, the Meeting requested UNCTAD to assist in mobilizing funding for the preparation of a strategic business development plan for the WTPF. Thanks to the generous support of donors, namely the Governments of France and Belgium, the required financial resources were made available, and following a call for tender organized by the UNOG procurement office in Geneva, the consultancy company Arthur Andersen was contracted to perform the assignment. It is expected that the plan will be finalized in September 2001. The Federation could then start strategic negotiations later in autumn 2001.

B. Transfer of the ETO system to a suitable non-profit entity

12. The Working Party adopted three decisions relating to the ETO system in which it requested the secretariat:

- "To prepare a document elaborating details with regard to option 1, transfer of the ETO system to an ITPF, for the information of the members of the Working Party before the end of October 2000"[8];
- "To begin immediately the tendering process, in conformity with the United Nations Financial Regulations and Rules, for the transfer of the ETO system

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[6] "Follow-up to the evaluation of the Trade Point Programme: Trade Point Programme Strategy", TD/B/WP/120, paragraph 13.

[7] Cooperation with strategic partners will be conducted in a way that will guarantee the observation of underlying principles and objectives of the Trade Point Programme.

[8] "Evaluation of technical cooperation programmes", TD/B/47/L.4, paragraph 11.

to a suitable non-profit entity, specifying the possibility of a transfer of the ETO system to the ITPF when it has been established"[9]; and

- "To further consult with Trade Points at the World Trade Point Directors Meeting in November 2000 regarding the transfer of the ETO system to the ITPF"[10].

13. An information note entitled "Transfer of the ETO system to an international Trade Point federation" was prepared by the Trade Point Programme by the requested date of 31 October. The secretariat also gave a briefing at the December 2000 consultations of the President of the Trade and Development Board on the outcome of the Sixth World Trade Point Meeting.

14. After having previously sought advice from the UNOG procurement office as to the procedure to follow, the UNCTAD secretariat undertook action aimed at identifying a suitable non-profit entity that would operate the ETO system under a contract with UNCTAD. Such an arrangement would imply that UNCTAD would still legally remain the owner of the ETO system, even though a provision was to be included in the contract to the effect that UNCTAD would be exempt from any financial liability resulting from the operation of the system[11].

15. The action undertaken by the secretariat in this particular direction consisted of the following steps:

- Publication of a call for proposals for the transfer of the ETO system to a suitable non-profit entity outside UNCTAD on the GTPNet web site, including a link from UNCTAD's web site;
- Publication of a notice in the United Nations Development Business, the UN periodical with information about consulting, contracting and export opportunities emanating from the United Nations system, the World Bank and regional development banks;
- Direct contacts with several entities mentioned in the document "Transfer of the ETO system to a non-profit entity"[12].

16. In parallel, the secretariat also explored the option of transferring the ETO system to the World Trade Point Federation, as outlined in the information note mentioned above. This solution would mean that UNCTAD would transfer all rights (such as intellectual property rights), but also all liabilities, with regard to the system to an outside non-profit entity, the Federation.

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[9] Ibid, paragraph 12.
[10] Ibid, paragraph 13.
[11] see "Transfer of the ETO system to a non-profit entity", TD/B/WP(XXXVI)/CRP.1, section A, and in particular paragraph 6.
[12] TD/B/WP(XXXVI)/CRP.1, section B.

17. In this context, the issue of the ETO system and its future was included as the second major item for decision-making on the agenda of the Sixth World Trade Point Meeting. The discussion among Trade Points attending the meeting resulted in an expression of readiness by the Federation to take over the ownership of the ETO system. In order to prepare a viable practical proposal for the future of the ETO system under the Federation, the Steering Committee meeting (Geneva, 22-23 February 2001) concentrated almost entirely on the modalities of such an undertaking. While the Federation was ready to assume the legal responsibility for the ETO system, it needed to identify a suitable non-profit partner who would operate the ETO system on its behalf.

18. The UNCTAD secretariat assisted in this search. The publication of the call for interest, as well as direct contacts with potential operators of the ETO system, of which two (PeopLink and the World Chambers Network) also participated as speakers at the Sixth World Trade Point Meeting, resulted in some initial expressions of interest. All the potential partners, as well as the Trade Point community, were then provided with a complete set of detailed information regarding the assignment and the conditions attached to it. In order to maintain the developmental character of the ETO system and its focus on less financially endowed small and medium-sized companies, one of the conditions was that the operator would continue providing the basic ETO service free-of-charge to users and the Federation. The preference would have been for a strategic partner who would be in a position to take over the existing ETO system and at the same time launch a higher-quality service providing the functionalities of the new GTPNet developed by UNCTAD in Geneva. In the event that it would not be immediately possible to identify such partner, a temporary solution would have been sought consisting of several months of hosting the existing ETO system before a more permanent strategic partner was identified.

19. After preliminary discussions and clarifications with several potential operators, two offers for the strategic partner were formally submitted. However, one of them could not be considered because it envisaged payment for the operation of the ETO system, and the other one did not provide sufficient degree of detail as to how the assignment would be conducted. It was therefore decided to take up the only offer for temporary hosting of the existing ETO system that had been submitted jointly by Trade Points Madrid and Castilla La Mancha in Spain. The ETO system was subsequently transferred to the two Trade Points in Spain in the course of May 2001 and is currently accessible through the web site of the Federation www.wtpfed.org.

20. The UNCTAD secretariat also prepared the texts of the necessary contracts providing for the transfer of the system from UNCTAD to the Federation and the operation of the system by Trade Points Madrid and Castilla La Mancha on behalf of the Federation. The signature of the contracts is currently being completed, which will mean that the ETO system will be operating outside UNCTAD from both the technical and the legal points of view.

C. Capacity building

21. The Working Party also "encouraged donor countries to make available extra-budgetary resources for capacity-building projects aiming to achieve this objective, as contained in the approved Strategy".

22. As in the first year of implementation of the Trade Point Programme Strategy, the progress in this area was constrained by lack of extrabudgetary funding. As a matter of fact, no pledges were made by donors and no national sources of funding were made available in member countries to support capacity building activities for Trade Points. For this reason, previously submitted projects[13] did not materialize, and the new project entitled "Strengthening national capacities to support SMEs in international trade and electronic commerce: Training of Trade Points", focusing on assistance to Africa, in particular the least developed countries in the region, suffered the same fate.

23. Consequently, capacity-building activities were conducted only on a limited scale on the basis of existing regular budget resources and the traditionally constructive support from the International Trade Centre UNCTAD/WTO.

24. In addition to numerous presentations with a capacity building component in international meetings and conferences, the following regular training sessions were organized specifically or mostly for Trade Points:

- Eight training sessions for all the Trade Point representatives attending the Sixth World Trade Point Meeting; the sessions were dedicated to training on the use of the local Trade Point kit developed by UNCTAD for local management of information in Trade Points and its replication on the central web site;
- One training session for 12 Trade Point representatives from Asia and the Pacific on UNCTAD's TRade Analysis and INformation System (TRAINS), conducted during the Sixth World Trade Point Meeting;
- Two trade information seminars organized by ITC in Geneva in October and November 2000, where most participants came from Trade Points;
- Two trade information seminars organized by ITC, in cooperation with a local counterpart and UNCTAD, in New Delhi, India (23-26 April 2001), for the SAARC countries and in St. Petersburg, Russian Federation (5-9 June 2001), for the CIS countries; Trade Points at various stages of development, as well as other trade support institutions from countries without Trade Points, attended the two seminars.

25. In addition, the Trade Points benefited from personalized assistance from regional Trade Point coordinators, as well as advice on legal issues. This has considerably

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[13] For details, see "Implementation of the Trade Point Programme Strategy: Progress report", TD/B/WP/128, paragraphs 13-16.

facilitated the setting up of Trade Points and the process of reaching the operational stage. More than 10 Trade Points, mostly from more advanced developing countries where investment in capacity building was of less importance, reached fully operational status during the period under review.

II. ACTIVITIES TO BE UNDERTAKEN IN THE THIRD YEAR OF IMPLEMENTATION OF THE TRADE POINT PROGRAMME STRATEGY

26. Future activities of the Trade Point Programme will continue to pursue the goal of reducing UNCTAD's involvement in the Programme, which is also already reflected in the allocation of staff to Trade Point Programme activities.

27. The thrust of the secretariat's work in the coming year will therefore be on further empowerment and consolidation of the Trade Point community, with a view to preparing the ground for the Programme's continuing existence outside UNCTAD. In this context, the following tasks will be undertaken:

- Assistance to the World Trade Point Federation to enable it to become fully operational and self-sustainable

  In the remaining time available for the implementation of the Strategy, UNCTAD will assist the Federation in its administrative and operational tasks and in building the capability among Trade Points to work together and to manage their own matters in the future. The Steering Committee has already started to be associated with these activities and is expected to assume progressively more responsibilities in the near future. Constant interaction between the UNCTAD secretariat and the Federation on everyday and strategic tasks should facilitate the transfer of managerial know-how to the Federation[14].

  Following the development of the strategic plan for the Federation, contacts between the Federation and potential partners will be facilitated. However, the secretariat will not be involved in negotiations, as these will remain the sole responsibility of the Federation itself. As soon as the strategic partners are identified, it is proposed that an agreement be concluded between UNCTAD and the Federation about the transfer of ownership of the Global Trade Point Network to the Federation. The physical transfer of the GTPNet to the Federation should then take place, thus marking the final step in the externalization of the technical part of the Trade Point Programme.

  The success of this activity will be contingent on the conclusions of the strategic business development plan for the Federation (in terms of the perceived feasibility

[14] In accordance with "Follow-up to the evaluation of the Trade Point Programme: Trade Point Programme Strategy. Modalities to implement the proposed strategy", TD/B/WP/120/Add.1, p. 5.

of this Strategy) and the outcome of negotiations between the Federation and potential strategic partners (in terms of their willingness to enter into partnerships and the size of the financial resources that could thus be generated to sustain the Federation).

At the same time, UNCTAD will continue supporting regional Trade Point Forums. A meeting of the Inter-American Trade Point Forum took place in Los Angeles, United States, on 21-24 May 2001 and adopted an action plan containing concrete steps towards the enhancement of cooperation within the region, as well as the contribution of the region to the strengthening of the World Trade Point Federation. A meeting of the envisaged English-speaking African Trade Point Forum is scheduled for 13-16 August 2001 in Pretoria. The objective of the meeting is, in addition to the official launching of the Pretoria International Trade Point, to identify best practices for national, regional and interregional alliances among Trade Points and strategic partners.

- Consolidation of a solid core of operational Trade Points

The Federation can only be strong and attractive for potential strategic partners if it has strong and trustworthy membership. In this context, the UNCTAD secretariat will continue helping Trade Points develop their services and comply with other related requirements so as to reach the operational stage. Each Trade Point will receive tailor-made assistance that will take into consideration its specific conditions and national contexts. The objective will be to transfer the Programme to the Federation with perhaps a smaller number of Trade Points, but with all of them motivated, fully operational or with clear plans and deadlines for achieving this status. To this end, UNCTAD will also continue managing existing and potentially new technical cooperation projects focusing on the establishment of Trade Points. Enhancement of the GTPNet services is also of key importance. In this context, UNCTAD will continue pursuing the work with the Department of Contract and Management Services, Government of Western Australia, on the development of the international procurement value-added service for Trade Points.

Action with regard to the strengthening of Trade Points is to a great extent subject to external factors. Success in this area within the assigned period of time will therefore largely depend on: (a) the commitment and cooperation of Trade Points and the financial resources that can be made available nationally to bring them to the operational stage; and (b) the availability of extrabudgetary resources, without which systematic capacity building activities are impossible. This is particularly true for the least developed countries, which largely depend on capacity building for expertise in Trade Point management and the provision of Trade Point services.

Annex

MODALITIES TO IMPLEMENT THE TRADE POINT PROGRAMME STRATEGY

(As published in document TD/B/WP/120/Add.1)

Objectives	Activities	Time frame	Indicators	Assumption and risks
Capacity development	Fund raising for training activities	October 1999 – December 1999	Donor(s) funding confirmed	Strategy endorsed by member states at the thirty-fourth session of the Working Party, and donors confirm interest in providing financial support
	Training of 8 to 10 course developers selected mainly from Trade Points	Three weeks in February 2000 and three weeks in July 2000	8 to 10 course developers fully trained for subsequent activities	Extrabudgetary funding available
	Development and update of six courses to support the development of Trade Point services and to strengthen the Trade Point management capacity, including with respect to financial aspects	March 2000 – December 2001	Courses completed on Development of Trade Point Services, Trade Point Management, Trade Facilitation, E-Commerce, Global Architecture of GTPNet, and Trade Point website Design	Extrabudgetary funding available
	Preparation and update of Trade Point and GTPNet guidelines based on the experiences gained by, and the best practices at, operational Trade Points	January 2000 – December 2000	Guidelines for the establishment of Trade Points, management of Trade Points, effective operation of ETOs, value-added GTPNet tools, such as web publishing, and marketing of these tools available for Trade Points and their clients	Extrabudgetary funding available
	Training of 8 to 10 trainers selected mainly from Trade Points	Two weeks in June 2000 and two weeks in November 2000	8 to 10 trainers fully trained for subsequent delivery of training	Extrabudgetary funding available
	Establishment and maintenance of a roster of consultants selected mainly from Trade Points	October 1999 – September 2002	Roster of consultants available	

Objectives	Activities	Time frame	Indicators	Assumption and risks
	Course/workshop delivery by region, including courses for the above-mentioned trainers	September 2000 – September 2002	Courses and workshops held in all regions	Extrabudgetary funding available
	Support the establishment by Trade Points themselves of regional Trade Point forums	October 2000 – September 2002	Regional Trade Point forums established in Africa, Asia and Europe, and for Arab and Mediterranean countries	Commitment and support by the Trade Points of the particular regions
	Support the establishment by Trade Points themselves of an international Trade Point federation	By March 2002	International Trade Point federation established (if so decided by the Trade Points)	Commitment and support by the existing regional Trade Point forums
	Handing over of activities to the regional/international Trade Point federation(s)	By September 2002	Regional/international Trade Point federation fully functioning	Funding available from participants and interested donors for staff and operational expenses of the regional/international Trade Point federation(s)
Renovation of the GTPNet	Updating of interactive tools, including a discussion database function, in a pilot phase with five Trade Points	October 1999 – February 2000	Release 1 of renovated GTPNet operational	Participating Trade Points have the technical capacity to adopt the new tools; local expertise available
	Renovation of the ETO system, taking into account the views of Governments and experts	November 1999 – March 2000	Renovated ETO system operational (on-line structured ETOs, search engine, profile-based subscription features)	Introduction by users of new quality criteria and adoption of new technology tools
	Update of system set-up based on user feedback	March 2000 – June 2000	Release 2 of renovated GTPNet operational	Feedback received from users in a timely manner

Objectives	Activities	Time frame	Indicators	Assumption and risks
	Dissemination of renovated tools and techniques to Trade Points	July 2000 – June 2001	At least 50 Trade Points equipped with new technology or fully prepared for its introduction	Extrabudgetary resources available for training seminars; local technical environment ready to accept the new tools
	Fine-tuning of knowledge database function based on experiences gained from discussion database	January 2001 – March 2001	Knowledge database fully operational	Effective use by Trade Points of this tool; regular inputs from users received
	Transfer of know-how on maintaining and managing the GTPNet to regional forums	July 2000 – September 2002	Regional forums established	Extrabudgetary resources available for training seminars
	Transfer of know-how on maintaining and managing the GTPNet to the international Trade Point federation	April 2002	International Trade Point Federation established	Extrabudgetary resources available for training seminars

Abbreviations: ETO electronic trading opportunity
GTPNet Global Trade Point Network